

# HEALTH SERVICES AND DEVELOPMENT AGENCY

## COMMUNIQUE

### MONTHLY PUBLICATION OF *HEALTH SERVICES AND DEVELOPMENT AGENCY*

*Andrew Jackson Building, 9<sup>th</sup> Floor*

*502 Deaderick Street*

*Nashville, TN 37243*

*615.741.2364*

## December 2014

For Meeting verification/change or agenda information, please call the Agency Office  
or check our website at [www.tn.gov/hsda](http://www.tn.gov/hsda)

### HEALTH SERVICES AND DEVELOPMENT AGENCY

Chair.....D. Lynn Johnson  
Vice-Chair.....Robert S. Doolittle  
Executive Director.....Melanie Hill  
General Counsel.....James Christoffersen

Tennessee Department of Health, Division of Policy, Planning and Assessment.....615/741-1954

Tennessee Department of Mental Health and Substance Abuse Services,  
Office of General Counsel...615/532-6520 or Main Office.....615/532-6500

Tennessee Department of Intellectual and Development Disabilities,  
Office of General Counsel...615/253-8731 or Main Office....615/532-6530 or 800-535-9725

## CALENDAR

**The Health Services and Development Agency will be closed on the following days:**

### 2014

Wednesday, December 24—Christmas Eve  
Thursday, December 25—Christmas  
Wednesday, December 31—New Year's Eve

### 2015

Thursday, January 1—New Year's Day  
Monday, January 19—Martin Luther King Day  
Monday, February 16—Presidents' Day  
Friday, April 3—Good Friday  
Monday, May 25—Memorial Day  
Friday, July 3—Independence Day observed  
Monday, September 7—Labor Day  
\*Monday, October 12—Columbus Day  
Wednesday, November 11—Veterans' Day  
Thursday, November 26—Thanksgiving Day  
\*Friday, November 27—*substituted* for Columbus Day  
Thursday, December 24—Christmas Eve  
Friday, December 25—Christmas  
Thursday, December 31—New Year's Eve

\* Columbus Day "Second Monday in October at the Governor's discretion may be observed the Friday after Thanksgiving.

### 2014 REVIEW CYCLE

2014 Cycle Month	Publication Dates—Letter of Intent	Application Due Date	HSDA Meeting Dates	*End of Appeal Period
September	08/01/2014-08/10/2014	5 days after Publication "	11/19/2014	12/04/2014
October	09/01/2014-9/10/2014	"	12/17/2014	01/01/2015
November	10/01/2014-10/10/2014	"	01/28/2015	02/12/2015
December	11/01/2014-11/10/2014	"	02/25/2015	03/12/2015

In the event that the last appropriate filing date falls on a Saturday, Sunday, or legal holiday, such filing should occur on the preceding business day.

\*Appeal deadline is 15 days after meeting date.

### 2015 REVIEW CYCLE

2015 Cycle Month	Publication Dates—Letter of Intent	Application Due Date	HSDA Meeting Dates	*End of Appeal Period
January	12/01/2014-12/10/2014	5 days after Publication	03/25/2015	04/09/2015
February	01/01/2015-01/10/2015	"	04/22/2015	05/07/2015
March	02/01/2015-02/10/2015	"	05/27/2015	06/11/2015
April	03/01/2015-03/10/2015	"	06/24/2015	07/09/2015
May	04/01/2015-04/10/2015	"	07/22/2015	08/06/2015
June	05/01/2015-05/10/2015	"	08/26/2015	09/10/2015
July	06/01/2015-06/10/2015	5 days after Publication	09/23/2015	10/09/2015
August	07/01/2015-07/10/2015	"	10/28/2015	11/12/2015
September	08/01/2015-08/10/2015	"	11/18/2015	12/03/2015
October	09/01/2015-9/10/2015	"	12/16/2015	12/31/2015
November	10/01/2015-10/10/2015	"	01/27/2016	02/11/2016
December	11/01/2015-11/10/2015	"	02/24/2016	03/10/2016

#### STATE OF TENNESSEE POLICY OF NON-DISCRIMINATION

PURSUANT TO THE STATE OF TENNESSEE'S POLICY OF NON-DISCRIMINATION, THE HEALTH SERVICES AND DEVELOPMENT AGENCY DOES NOT DISCRIMINATE ON THE BASIS OF RACE, SEX, RELIGION, COLOR, NATIONAL OR ETHNIC ORIGIN, AGE, DISABILITY OR MILITARY SERVICE IN ITS POLICIES OR IN THE ADMISSION OR ACCESS TO, OR TREATMENT OR EMPLOYMENT IN, ITS PROGRAMS, SERVICES OR ACTIVITIES.

EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY EEO/AA COORDINATOR OR OFFICER, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, 9<sup>th</sup> FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364. ADA INQUIRIES OR COMPLAINTS SHOULD BE DIRECTED TO THE HEALTH SERVICES AND DEVELOPMENT AGENCY'S ADA COORDINATOR: JAMES CHRISTOFFERSEN, HEALTH SERVICES AND DEVELOPMENT AGENCY, ANDREW JACKSON BUILDING, NINTH FLOOR, 502 DEADERICK STREET, NASHVILLE, TN 37243. TELEPHONE NO.: 615/741-2364.

# HEALTH SERVICES AND DEVELOPMENT AGENCY MEETINGS

THSDA Meetings are scheduled to be held at  
8:30 a.m. CDT/CST  
At the following locations:

## **December**

Legislative Plaza  
Room 12  
Sixth Avenue North & Union Street  
Nashville, TN

## **January – June**

AT&T Tower  
Main Auditorium  
333 Commerce Street  
Nashville, TN

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\* Meeting locations are subject to change

\*\* All meetings of the Health Services and Development Agency are  
posted on the Agency's website at [www.tn.gov/hsda](http://www.tn.gov/hsda)

### **EXECUTIVE DIRECTOR'S ANNOUNCEMENTS:**

#### **PLEASE NOTE:**

In order that the Agency members may have sufficient time to review the meeting packet, please submit all support, rebuttal and comments for matters on the Agency's agenda no later than noon (Central Time) on the thirteenth day before the meeting at which that matter will be Heard. The parties are encouraged to provide 15 copies. In accordance with T.C.A., Section 68-11-1609(g)(1), any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Agency and serve a copy on the applicant no later than fifteen days before the agency meeting at which time the application is originally scheduled.



## RESULTS OF APPLICATIONS HEARD AT THE NOVEMBER MEETING

Princeton Transitional Care,  
400 North State of Franklin Road  
Johnson City (Washington County), TN 37604  
CN1409-039

Contact Person: Allison Rogers, Vice President,  
Strategic Planning  
Phone: 423-302-3378

**Consent Calendar**  
**APPROVED**

The relocation of the thirty-four (34) bed skilled nursing home from James H. and Cecile C. Quillen Rehabilitation Hospital located at 2511 Wesley Street, Johnson City (Washington County), TN 37601 to Johnson City Medical Center located at 400 North State of Franklin Road, Johnson City (Washington County), TN 37604. The estimated project cost is \$21,000.00.

\* These beds are not subject to the 2014-2015 Nursing Home Bed Pool.

Valley Open MRI, PC  
1152 Main Street  
Kimball (Marion County), TN 37347  
CN1407-028

Contact Person: Jason Hatchette, Assistant Vice President  
Phone: 615-550-2633

**WITHDRAWN**

The establishment of an Outpatient Diagnostic Center (ODC), the acquisition of magnetic resonance imaging (MRI) equipment, and the initiation of MRI services in a 4,380 square foot new building to be constructed at 1152 Main Street in Kimball (Marion County), Tennessee. The estimated project cost is \$2,370,547.00.

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare-Physicians Regional Medical Center  
Unaddressed site at the intersection of Middlebrook Pike and Old Weisgarber Road  
Knoxville (Knox County), TN 37909  
CN1408-033

Contact Person: Melanie Burgess, Vice President of Development  
Phone: 865-647-5604

**APPROVED**

**1 year extension of expiration date granted and 91 beds are to be delicensed.**

The construction of a partial replacement hospital and relocation of 272 of the 401 beds at the main campus of Physicians Regional Medical Center from 900 E. Oak Hill Avenue, Knoxville (Knox County), to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is \$303,545,204.00.

Metro Knoxville HMA, LLC d/b/a Tennova Healthcare-Physicians Regional Medical Center  
Unaddressed site at the intersection of Middlebrook Pike and Old Weisgarber Road  
Knoxville (Knox County), TN 37909  
CN1408-034

Contact Person: Melanie Burgess, Vice President of Development  
Phone: 865-647-5604

**APPROVED**

**2 year extension of expiration date granted.**

The replacement and relocation of the 25-bed nursing home which is located in Physicians Regional Medical Center. The nursing home proposes to relocate with the hospital from 900 E. Oak Hill Avenue, Knoxville (Knox County) to a site at the intersection of Middlebrook Pike and Old Weisgarber Road across from Dowell Springs Boulevard, Knoxville (Knox County), a distance of approximately nine (9) miles from the current facility. The estimated project cost is \$6,454,796.00.

\*These beds are not subject to the 2014-2015 Nursing Home Bed Pool.

Parkridge Medical Center, Inc.  
2333 McCallie Avenue  
Chattanooga (Hamilton County), TN 37404  
CN1408-035

Contact Person: Jerry W. Taylor, Esq.  
Phone: 615/782-2228

**APPROVED**

The acquisition of a second magnetic resonance imaging (MRI) unit for installation and use in 1,202 square feet of renovated space on the main campus of Parkridge Medical Center (PMC) at 2333 McCallie Avenue, Chattanooga (Hamilton County), TN. No new beds or changes in services are involved in the project. The estimated project cost is \$2,968,942.00.

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## RESULTS OF APPLICATIONS HEARD AT THE NOVEMBER MEETING

The Residence at Alive Hospice--Murfreesboro  
Unaddressed Lot 13, between Williams Drive  
and Carl Adams Drive  
Murfreesboro (Rutherford County), TN 37129  
CN1408-037  
Contact Person: John L. Wellborn, Consultant  
Phone: 615-665-2022

**APPROVED**

### **GENERAL COUNSEL'S REPORT**

Karing Hearts Cardiology Cardiac PET Service  
701 N. State of Franklin Road Suite 2  
Johnson City (Washington County), TN 36404  
CN1311-046A  
Contact Person: John Wellborn  
Phone: 615-665-2022

**DEFERRED FROM OCTOBER MEETING**

**APPROVED**

Metro Knoxville HMA, LLC d/b/a Tenna HealthCare – North  
Knoxville Medical Center (f/k/a Mercy Health System, Inc. dba  
Mercy Medical Center, North,  
7551 Dannaher Way  
Powell (Knox County), TN  
CN1106-019A  
Contact Person: Melanie Burgess, Vice President  
of Development  
Phone: 865-647-5604

**APPROVED**

Campbell Clinic Surgery Center  
1410 Brierbrook Road  
Germantown (Shelby County), TN 38138  
CN1208-040A  
Contact Person: John L. Wellborn, Consultant  
Phone: 615-665-2022

**APPROVED**

The establishment of a ten (10) bed residential hospice in  
Murfreesboro (Rutherford County). The facility will be located at  
unaddressed Lot 13, which lies between Williams Drive and Carl  
Adams Drive, and is bounded by DCI Dialysis Clinic and by the  
Murfreesboro medical Clinic/Surgicenter property at the intersection  
of Carl Adams Drive and Garrison Drive. The facility will be licensed  
separately as a residential hospice but will operate under the  
existing provider number of Alive Hospice, Inc., a licensed and  
Medicare-certified home care organization providing hospice care.  
The estimated project cost is \$10,888,816.00.

Request for a project cost overrun of \$133,421 (from \$391,585 to  
\$525,006), an increase of 34.1%. The cost overrun is due to the  
following reasons: 1) A decision was made to purchase the PET  
unit from its owner rather than to lease it, increasing the cost by  
\$109,214; and 2) Moving the equipment required unforeseen special  
transport measures which increased the cost by \$33,500.

This project was approved on February 26, 2014 for the acquisition  
of Cardiac PET equipment and the initiation of services (replacing  
CN1304-014A, the previously approved, unimplemented and now  
surrendered CON). On June 30, 2014, this project was implemented  
and the service became operational.

Request for a one (1) year extension of the expiration date from  
December 1, 2014 to December 1, 2015: This project was approved  
on October 26, 2011 for the acquisition of a second linear  
accelerator to be located and utilized on the Tenna HealthCare –  
North Knoxville Medical Center campus. The project cost is  
\$4,694,671.00.

Request for a twenty-four month extension of the expiration date  
from January 1, 2015 to January 1, 2017: This project was  
approved on November 14, 2012 for expansion of the surgery center  
by adding approximately 21,000 SF of space. The ASTC is limited  
to orthopaedics and pain management. The project cost is  
\$13,277,258.00.

## APPLICATIONS TO BE HEARD AT THE DECEMBER MEETING

\*Morristown-Hamblen Hospital  
908 West Fourth North Street  
Morristown (Hamblen County), TN 37814  
CN1410-043  
Contact Person: Mike Richardson, Vice President, Strategic  
Planning & Development  
Phone: 865-531-5123

### Consent Calendar

Implanted Pump Management, LLC  
200 Prosperity Place, #102  
Knoxville (Knox County), TN 37923  
CN1407-027  
Contact Person: Melissa Hess, Director of Nursing  
Phone: 201-475-9635

### DEFERRED TO THE MARCH 2015 MEETING

Chattanooga-Hamilton County Hospital Authority  
d/b/a Erlanger Medical Center  
975 East 3rd Street  
Chattanooga (Hamilton County), TN 37403  
CN1409-038  
Contact Person: Joseph M. Winick, Sr. Vice President,  
Planning & Business Development  
Phone: 423-778-7274

St. Jude Children's Research Hospital  
315 Danny Thomas Place  
Memphis (Shelby County), TN 38105  
CN1409-040  
Contact Person: John L. Wellborn, Consultant  
Phone: 615-665-2022

Sumner Regional Medical Center (Sumner  
Station Campus)  
225 Big Station Camp Road  
Gallatin (Sumner County), TN 37066  
CN1409-041  
Contact Person: Michael Herman, Chief  
Operating Officer  
Phone: 615-328-6695

The initiation of a mobile lithotripsy service two (2) days per week on the hospital campus. The estimated project cost is \$328,900.00.

The establishment of a home care organization and the initiation of home health services limited to intrathecal pump services. The parent office will be located at 200 Prosperity Place #102, Knoxville (Knox County), TN 37932. There are no branch offices proposed for this project. The service area includes all 95 counties in Tennessee. The estimated project cost is \$13,038.00.

The acquisition of a 3.0 T Magnetic Resonance Imaging (MRI) scanner at Erlanger Medical Center, 975 East 3rd Street, Chattanooga (Hamilton County), Tennessee. The estimated project cost is \$4,597,711.00.

Modification of a hospital requiring a capital expenditure greater than five (5) million dollars and the addition of two (2) licensed beds. Fifty-four (54) acute care beds will be located on what are presently three (3) shelled floors (floors 3-5) to be finished in the Kay Research and Care Center. Fifty-two (52) of the beds will be replacement beds and two (2) will be new licensed beds. The project will also finish out two shelled-in connectors to an adjoining building and relocate Respiratory Therapy. The project will increase the licensed bed capacity from seventy-eight (78) to eighty (80) beds. The estimated project cost is \$62,500,516.00.

The initiation of a positron emission tomography (PET) service at the existing Sumner Station outpatient campus. The project will also include the build-out of approximately 1,425 SF of existing space and the purchase of a PET/CT system. The estimated project cost is \$2,887,396.00.

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## APPLICATIONS TO BE HEARD AT THE DECEMBER MEETING

University of Tennessee Medical Center (UTMC)  
1924 Alcoa Highway  
Knoxville, (Knox County), TN 37920  
CN1409-042  
Contact Person: Jerry W. Taylor, Esq.  
Phone: 615-782-2282

Modification of a hospital requiring a capital expenditure greater than five (5) million dollars and the addition of forty-four (44) licensed beds. The project includes renovation and new construction totaling approximately 55,302 SF in the following areas:

1) The expansion and renovation of its Neonatal Intensive Care Unit (NICU) consisting of approximately 9,758 SF of new construction and renovation of 15,432 SF;

2) The addition of approximately 16,850 SF of new space and renovation of approximately 1,262 SF of existing space, which will house a new addition to the Intensive Care Unit (ICU); and

3) The renovation of approximately 12,000 SF of existing space to convert it from non-inpatient care space to inpatient rooms.

Twenty-eight (28) of the forty-four (44) beds are anticipated to be allocated as Medical/Surgical beds and sixteen (16) as ICU beds. The project will increase the licensed bed capacity from 581 to 625. The estimated project cost is \$26,292,001.00.

**No Applications to be reviewed.**



## APPLICATIONS TO BE HEARD AT THE FEBRUARY MEETING

Waynesboro Health & Rehabilitation Center  
104 J.V. Mangubat Drive  
Waynesboro (Wayne County), TN 38485  
CN1411-045  
Contact Person: Kelli Canan, CON Project Manager  
Phone: 423-478-5953

The relocation and replacement of Wayne Care Nursing Home located at 505 South Main Street, Waynesboro (Wayne County), TN, a 46-bed nursing facility, and the construction of an addition to Waynesboro Health and Rehabilitation Center (f/k/a Wayne County Nursing Home), a 109-bed nursing facility located at 104 J.V. Mangubat Drive, Waynesboro (Wayne County), TN 38485. The project will combine the two licensed facilities into one licensed nursing facility as permitted by T.C.A. § 68-11-1627 by closing the 46-bed facility at 505 Main Street and combining the beds by construction of an addition to the existing 109-bed facility at 104 J.V. Mangubat Drive. Upon completion, Waynesboro Health and Rehabilitation Center will house the combined 155-bed nursing facility, which will become dually certified for participation in Medicare and Medicaid and will include an 18-bed designated Memory Care Unit. The service area is Wayne County. The estimated project cost is \$5,658,318.00.

Southern Hills Surgery Center  
Unaddressed site at NE corner of intersection at Old Hickory Blvd. and American General Way  
Brentwood (Davidson County), TN 37250  
CN1411-047  
Contact Person: John L. Wellborn, Consultant  
Phone: 615-665-2022

The relocation of Southern Hills Surgery Center from 360 Wallace Road, Nashville (Davidson County), TN 37211, to leased space in a building to be constructed at an unaddressed site in the northeast corner of the intersection of Old Hickory Boulevard and American Way, Brentwood (Davidson County), TN 37250. The estimated project cost is \$17,357,832.00.

## NOTES

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# APPEALS OF AGENCY DECISIONS

<b><u>FACILITY</u></b>	<b><u>DOCKET #</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>MEETING DATE</u></b>
Centennial Medical Center Nashville, Davidson County CN1407-032A	25.00-TBA	Appeal of Approval of CON	10/22//2014
East Tennessee Radiation Therapy Services Knoxville, Knox County CN1108-030ADA	25.00-115208J	Appeal of Approval of CON	12/14/2011
Maxim Healthcare Services, Inc. Johnson City, Washington County CN1405-015A	25.00-128198J	Appeal of Approval of CON	8/27/2014
Medical Care, PLLC Elizabethton, Carter County CN1303-006D	25.00-122463J	Appeal of Denial of CON	7/24/2013
Middle Tennessee Rehabilitation Hospital, LLC Franklin, Williamson County CN1012-055D	25.00-111868J	Appeal of Denial of CON	3/23/2011
SBH-Kingsport, LLC Kingsport, Sullivan County CN1312-050A	25.00-126908J	Appeal of Approval of CON	6/25/2014
Tri-Cities Holdings LLC d/b/a Trex Treatment Center Johnson City, Washington County CN1303-005D	25.00-122076J	Appeal of Denial of CON	6/26/2013

## HEALTH SERVICES AND DEVELOPMENT AGENCY MEMBERS

**D. Lynn Johnson**  
(Consumer, Speaker of the House)

**Charlotte C. Burns**  
(Hospital)

**Claudia H. Byrd**  
(Consumer, Speaker of the Senate)

**Robert Doolittle**  
(Consumer, Governor)

**Martin D. Fleming, M.D.**  
(Physician)

**Thom Mills**  
(Home Care)

**Mark Flora, M.D.**  
(Ambulatory Surgical Treatment  
Centers)

**James L. Wright**  
(Nursing Home)

**Keith Gaither, Designee**  
for Director of TennCare  
**Darin J. Gordon**

**Jaclyn Austin, Designee**  
for Comptroller  
**Justin Wilson**

**Lisa Jordan, Designee**  
for Commerce & Insurance  
Commissioner  
**Julie Ann McRee**